

Chairman Hawk, members of the Subcommittee, in response to the questions raised at Tuesday's hearing.

Operations for FY06 were funded with General Fund, Federal Fund, Contributions, and In-Kind. Let me dissect that for you:

- General Fund was just over \$38,000 which included a \$25,000 reduction imposed by the Martz administration to meet the then general fund shortfall.
- Contributions just over \$62,000. These were non-appropriated monies and were not included in HB2. An account review determined that these dollars should be appropriated and included in HB2 – Hence decision package 70002 for \$75,000 each year of the biennium. Some of these contributions qualified for federal match in FY06 – about \$60,000. However, the contributions we anticipate to receive in FY08 and 09 are restricted in that they can not be used for administration or match
- In-kind is not actual cash but rather non cash contributions to the program. Examples include volunteerism and PSAs. These types of contribution have dramatically fallen off – in 2004 we recorded \$134,999 in contributions, and this year our balance is \$3,493
- Federal funds including AmeriCorp \$125,000 which requires the 1 to 1 match made up the rest of our operations

In summary, Decision Package 70001 – the general fund request of \$86,922 is needed to match the AmeriCorp grant. For every dollar of general fund not appropriated, we will also lose a dollar of the federal award.

I hope that has helped describe our upcoming budget picture.